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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, DECEMBER 3, 2001

JOINT APPLICATION OF

VERIZON VIRGINIA INC.

and

CASE NO. PUC000204

VERIZON SOUTH INC.

To expand local calling between various exchanges

ORDER AUTHORIZING IMPLEMENTATION OF REMAINING FOURTH PHASE EXPANDED LOCAL CALLING

On August 1, 2001, Verizon Virginia Inc. ("Verizon Virginia") and Verizon South Inc. ("Verizon South") (hereafter collectively referred to as "the Joint Applicants") filed with the State Corporation Commission ("Commission") their fourth Joint Application to Expand Local Calling In Part (hereinafter "fourth Joint Application"). This fourth Joint Application proposed to implement phase four of their expanded local calling plan ("ELCP"), which involved exchanges located primarily in the Norfolk, Richmond, and Roanoke LATAs. The Joint Applicants identified these exchanges in Attachment A and Attachment B to the fourth Joint Application. The Joint Applicants proposed

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¹ Phased implementation of expanded local calling is in satisfaction of a condition of this Commission's approval of Joint Applicants' merger, ordered November 29, 1999, in Case No. PUC990100.

that all routes for expanded local calling between the affected exchanges be reciprocal.

Pursuant to the Commission's Fourth Order Prescribing Notice and Authorization To Implement Expanded Local Calling In Part, issued August 21, 2001, the Commission approved for implementation all routes identified in the fourth Joint Application except routes in the Verizon Virginia territory originating from the Pearisburg exchange and in the Verizon South territory originating from the Barnesville, Bowling Green, Boydton, Callao, Capron, Charlotte Court House, Chase City, Clarksville, Colonial Beach, Dawn, Deltaville, Disputanta, Doswell, Drakes Branch, Emporia, Farnham, Hague, Heathsville, Irvington, Jarratt, Keysville, Kilmarnock, King William, King & Queen, Lawrenceville, Lively, Montross, Old Church, Port Royal, Reedville, Saluda, South Brunswick, Stony Creek, Tappahannock, and Warsaw exchanges. The Commission found that customers in these exchanges, which would be billed in a higher rate group upon implementation of the ELCP, should first receive notice and an opportunity to comment or request a hearing on whether to implement the expanded calling.

On September 25, 2001, the Joint Applicants, by counsel, filed Proof of Notice to its customers in the exchanges identified above. In response to the notice given, approximately seventy (70) comments were filed in this case. Of

those comments filed, none were filed in fourteen exchanges of the thirty-six (36) exchanges affected.² Sixteen of the remaining exchanges had a total of three or fewer comments filed.³ Of the remaining six exchanges, there were seven comments filed against the ELCP and one undetermined in Clarksville; five against in Colonial Beach; four against in Heathsville; four against and two undetermined in Kilmarnock; three for, six against, and one undetermined in Pearisburg; and one for and twelve (12) against the ELCP in Tappahannock. One letter requested a hearing in this case.⁴

NOW THE COMMISSION, upon consideration of the applicable rate increases proposed for the remaining exchanges in the fourth phase of the ELCP, and with due regard to all comments filed, finds that the Joint Applicants should be authorized to implement the remaining exchanges identified above in the fourth phase of the ELCP. However, the Commission recognizes that some

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² These are the Barnesville, Boydton, Charlotte Court House, Chase City, Deltaville, Disputanta, Doswell, Drakes Branch, Jarratt, Keysville, Lawrenceville, Port Royal, South Brunswick, and Stony Creek exchanges.

³ This includes one for and two against the ELCP in Bowling Green; one against in Callao; one for in Capron; one for and one against in Dawn; two against in Emporia; one for in Farnham; one undetermined in Hague; one against in Irvington; one against in King & Queen; two against and one undetermined in King William; two against in Lively; one against in Montross; one for in Old Church; one against in Reedville; one for and two against in Saluda; one against in Warsaw; and one against from an undetermined exchange.

⁴ This letter was from the King William exchange and requested a hearing to gain an explanation for the justification of the proposed increase in their basic local exchange rate.

customers will see significant increases in their basic local exchange service rates in the regrouping process to expand their local calling scopes. Therefore, we further find that Verizon Virginia and Verizon South should notify its customers in these now-authorized exchanges at the time of the ELCP implementation of applicable local exchange service options, including measured service and exchange only service, which may help mitigate the impact of the higher rates resulting from these regroupings. No hearing will be convened on phase four of the Joint Applicants' ELCP.

Accordingly, IT IS ORDERED THAT:

- (1) Verizon Virginia Inc. shall implement the remaining fourth phase of the ELCP for all routes originating from the Pearisburg exchange.
- (2) Verizon South Inc. shall implement the remaining fourth phase of the ELCP for all routes originating from Barnesville, Bowling Green, Boydton, Callao, Capron, Charlotte Court House, Chase City, Clarksville, Colonial Beach, Dawn, Deltaville, Disputanta, Doswell, Drakes Branch, Emporia, Farnham, Hague, Heathsville, Irvington, Jarratt, Keysville, Kilmarnock, King & Queen, King William, Lawrenceville, Lively,

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⁵ The Commission recognizes that these options were also described in the information previously sent out with the notice for comment.

Montross, Old Church, Port Royal, Reedville, Saluda, South Brunswick, Stony Creek, Tappahannock, and Warsaw exchanges.

- (3) Verizon Virginia Inc. and Verizon South Inc. shall give notice to its affected customers in the exchanges identified in the preceding ordering paragraph at the time of the ELCP implementation regarding local exchange service options, including measured service and exchange only service.
 - (4) This case is continued generally.